

Robert L. Capell, III

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404 420-8490

March 4, 1992

Mr. James T. McKnight
Vice President of Telecommunications
Cox Newspapers
P.O. Box 105720
Atlanta, Georgia 30348

RE: Request For Three-Digit Local Dialing Arrangement
With Telco Rating, Recording and Billing; ESP
Request No. 91-003

Dear Mr. McKnight:

We have completed the review of your request for a three-digit dialing arrangement for use in the provision of your "electronic classifieds" service in the Atlanta, Georgia local calling area. Based upon our review, Southern Bell is prepared to offer the service you requested in accordance with the terms set forth in this written response, subject to a favorable ruling by the FCC on certain issues for reasons explained more fully below in Section E of this response.

As you know, we accepted your request for processing under our formalized 120 day ONA review process for new network capabilities. Pursuant to that process, we are providing you with this written response within 120 days of receipt of a completed written request (No. 91-003), which in your case, would be no later than March 6, 1992.

According to FCC requirements, our written response should indicate, to the extent possible, whether we will provide the requested capability, and if so, when the requested capability will be made available, an estimate of how much we will charge for the service if actual demand meets estimates provided by you, and what if any technical problems are anticipated. The answers to these questions and our action plan for dealing with certain related public policy issues are set forth below:

A. Description Of Proposed Service Capability

BellSouth Telecommunications, Inc. (d/b/a Southern Bell and South Central Bell, hereinafter "BST") proposes to satisfy your request with a service designed for you and other enhanced service providers (ESPs) in the following manner:

1. General Service Description

The proposed service is essentially a three-digit pay-per-call local dialing arrangement designed to facilitate the introduction of enhanced services such as your "electronic classifieds" service.

The switches used by Southern Bell will be programmed to translate the "N11" (where "N" represents digits 2-9) dialed call to a seven-digit number and then complete the call to the ESP's premises. Through switch translation changes in the end offices from where local calls are originated, a residence or business customer dialing the assigned "N11" code would be routed to the ESP's service location within the local calling area.

In order to process and rate ESP messages, a new rating and recording capability must be developed. The existing AMA process used by Southern Bell can be modified to process switch recordings and route them to a new rating and recording system. From the new system, the print-ready lines for billing ESP customer messages can be sent to the Billing Interface Gateway service which is already available to telemessaging providers in Southern Bell's service area pursuant to existing local state tariff offerings. That tariff will be amended to allow other ESPs, including pay-per-call service providers such as you, to obtain billing services from Southern Bell.

2. Specific Service Requirements and Conditions

- a. Due to the previous assignment under the North American Numbering Plan (NANP) of certain "N11" codes for other purposes, the proposed offering will be limited to only four "N11" dialing arrangements in each local calling area where the service is available. Specifically, codes 211, 311, 511 and 711 would be made available for assignment in each local calling area in which the service is deployed. Under the NANP, the remaining "N11" codes are currently unavailable in that they have already been assigned for the following uses: the 111 code which you specifically requested is not customer-dialable and has already been assigned for intercarrier routing, 411 has been assigned for accessing basic local exchange directory assistance, 611 has been assigned for accessing local exchange repair service, 811 has been assigned for accessing local exchange business offices and 911 has been assigned for accessing local exchange emergency services. We also have explored the possibility of using a number of other dialing arrangements (e.g., *XX", "NNX#" and use of SS7 and advanced intelligent network technology) to satisfy your service request. Our analysis indicates that for various technical reasons, "*XX",

"*NXX" and using advanced intelligent network technology are at best potentially viable long-term dialing options (i.e., 2 or more years away) for satisfying your request. However, our analysis indicates that using a "NNX#" dialing arrangement to satisfy your request appears technically feasible, could be provided in essentially the same time frame as an "N11" dialing arrangement, and may be more suitable for meeting your needs because it would avoid many of the resource limitations (over 600 NXX# codes are available) and NANP conflicts (not designated as a reserve NPA or SAC code) associated with using "N11" dialing. Its principal drawback is that it is not technically feasible to use this dialing sequence on rotary phones which represent slightly less than 10% of the access lines in the local Atlanta calling area. We will be happy to discuss this option further with you, although we recognize it is not exactly what you requested. The only other reasonably feasible short-term solution which appears available for satisfying your request is a seven (7) digit dialing arrangement which we are also willing to provide.

- b. Under the "N11" dialing option, service orders will be accepted for 90 days after service is publicly announced and tariffs approved for a particular area. Assignment of "N11" service codes will be limited to one code per entity, including subsidiaries and affiliates, per local service area. Due to the limited number of "N11" dialing arrangements that can be made available in each local calling area, the assignment of facilities will be conducted on a first come, first served basis, unless the number of orders received exceeds available serving arrangements. In the latter case, facilities will be assigned on a lottery or some other basis as determined by the FCC (See, Section E). This will ensure that limited facilities are allocated in a fair and nondiscriminatory manner should customer demand in any particular area exceed the number of available service arrangements, which seems quite possible given the limited number of "N11" codes available for assignment.
- c. Customers receiving "N11" dialing arrangements will be required to migrate upon six months notice to any standard abbreviated access arrangement for information services (e.g., "*NXX" or "NNX#") subsequently agreed to by the industry and approved by the FCC.
- d. To ensure that each "N11" dialing arrangement is used for its intended public purpose once assigned, we will require the customer to begin utilizing the service

arrangement no later than 6 months after approval of a completed service order.

- e. The three-digit access arrangement with network-based rating and recording capabilities will constitute a new network service and require that new state tariffs be developed, filed and approved. The billing capabilities will be provided pursuant to BST's existing state billing tariff for telemessaging providers. As mentioned above, this tariff will have to be modified to allow other ESPs to bill their services on the local telephone company monthly bill and to include certain restrictions normally applicable to pay-per-call services (e.g., a requirement that end user customers be given a general description of the service, the name of the service provider, the cost of the service and a reasonable opportunity to hang up before incurring any charges).
- f. Consistent with current NANP guidelines, the state tariff will contain a stipulation that the continued use of any "N11" dialing arrangement is subject to possible recall of the "N11" code by the NANPA administrator for national use as either an NPA or SAC code for the reasons explained in the attached letter. (See, attached letter of NANP Administrator, dated January 6, 1991). The recipient of each "N11" dialing arrangement will be required to sign a written acknowledgement of this condition and an agreement to return the code upon receipt of 6 months written notice from BST evidencing that the NANP Administrator has recalled the code for such use. If a recall is effected by the NANP Administrator, BST will work diligently with all ESP customers affected by such recall to transfer their service arrangements, if technically and economically feasible at the time, to an abbreviated dialing arrangement, and if not feasible, to a seven-digit dialing arrangement within the 6 month notice period.

B. Availability Date Of Service

Per your request, the first "N11" service arrangements will be made available in the Atlanta, Georgia local calling area. As the first such offering, Atlanta will function essentially as a trial offering to determine if the service is in fact economically viable and can be supported by the marketplace. Similar "N11" dialing arrangements will be made available in other local calling areas throughout the BST service areas where market demand supports the economic deployment of such tariffed offerings.

We anticipate that we will be able to file all state tariffs needed to begin providing service in the Atlanta local calling area within two months (60 days) of a favorable ruling by the FCC on the regulatory and public policy issues raised by your request (See, Section E, below). The effective date of such state tariffs would be ninety (90) days following tariff approval.

C. Estimated Service Charges

While you did not provide us with additional demand information beyond your own estimated use, we did attempt to develop a general estimate of other customer demand for this service beyond that which you provided. Because we did not have time to conduct formal market demand studies for this service, our demand estimates are necessarily preliminary. However, our initial research indicates that there will be additional demand for this service which would enable us to spread the estimated costs over more customers and thereby reduce the charges for the service. Based upon our analysis and the demand estimates you provided, the estimated charges for this service in the Atlanta, Georgia local calling area would be:

For the basic "N11" dialing arrangement including rating and recording, [REDACTED] in one time charges, plus [REDACTED] per message based on an assumed average message length of 2 minutes, plus [REDACTED] per minute for each message minute in excess of 5 minutes. Charges for using the Billing Interface Gateway would be \$3,000 in one time charges, plus \$.04 per bill line on the end user's bill. Customers will pay the normal tariffed charges for the local exchange access arrangements (e.g., PBX trunks, ESSX lines, etc.) used for transporting and terminating messages at the customer's designated premises.

Also, to ensure recovery of fixed recurring costs and that the limited service arrangements being made available are in fact used for their intended public purpose (i.e., the promotion of local pay-per-call information services) there will be minimum monthly charge of [REDACTED] for the Atlanta offering based on an assumed minimum usage volume of [REDACTED] messages per month. This charge may vary from local calling area to local calling area, depending on the size and expected demand characteristics of the local market.

D. Anticipated Technical Problems

The only technical problems we anticipate at this time in the Atlanta trial concern the present technical inability to rate, record and bill calls originating from public and semi-public pay telephones and calls charged to credit cards. We do not consider these technical limitations to represent a significant factor given the nature of the service.

Furthermore, based upon our technical analysis, we believe ESP customers will have to work separately with cellular companies to ascertain whether cellular customers will be able to reach ESP services by dialing an "N11" code. This is because cellular companies have their own switches and may or may not be using the same dialing code for some other purpose, or alternatively, may not have programmed their switches to route such calls to Southern Bell.

E. Other Public Policy And Regulatory Issues

As you can see from the attached letter from the NANP Administrator, there are a number of significant public policy issues regarding the use of "N11" codes to satisfy your service request. Nevertheless, BellSouth believes that such use is in the public interest and, although necessarily subject to a number of conditions because of numbering resource limitations and public policy concerns, could meet a legitimate market need that would not otherwise be satisfied.

We believe that it is necessary and appropriate to obtain a ruling from the FCC confirming that the proposed "N11" service arrangement outlined in this response is consistent with the FCC's policies and meets BellSouth's common carrier obligations under the Communications Act. In this regard, we will file with the FCC this Friday, March 6, 1992, a petition for a declaratory ruling asking them to rule on these issues as quickly as possible. We hope that you will support us in this effort.

Such a filing will protect the public interest as well as yours and ours. Inasmuch as the FCC has stated that it has plenary jurisdiction over number assignments, the FCC will quite likely be asked by others in the industry, if not by us, to rule on the public policy and regulatory issues associated with assigning three-digit "N11" dialing arrangements for this purpose. Because the deployment of "N11" dialing arrangements could according to the NANP Administrator (See, attached letter from NANP Administrator) potentially have a significant adverse impact on the public interest, we view an affirmative ruling from the FCC as a necessary condition to making this service available.

While we believe that this service proposal is consistent with FCC policies and the requirements of the Communications Act, we do not believe that it would be appropriate to move forward unilaterally without confirmation or guidance from the FCC on the public policy issues. Such a proceeding has the additional advantage of giving the rest of the industry, including other information service providers, an opportunity to comment on the desirability of using "N11" codes in this manner as balanced against other possible uses.

The filing of a petition will also provide the FCC with an opportunity to consider your request for preferential treatment in the assignment of numbers in the Atlanta area due to your position in having proposed this new use of NANP resources. In our opinion, there may be precedent for the FCC to grant such a request if it determines that your ingenuity and the circumstances in this case justify such a preference. BellSouth, on the other hand, does not believe that it has the legal authority to unilaterally authorize the assignment preference you have requested.

Finally, this approach is consistent with previous public statements of BellSouth regarding NANP changes. While BellSouth supports the application of new, non-traditional uses of NANP resources to meet legitimate market needs when such uses can be satisfied without seriously jeopardizing or advancing the industry's planned date for implementing interchangeable NPA codes, BellSouth believes that such changes should first be approved by the FCC prior to implementation. This will minimize the risk of unintended adverse public consequences that might otherwise occur from such changes.

We hope that you will join us in supporting the petition and in obtaining a favorable ruling from the FCC and from the Georgia PSC on the state tariff filings so that we can proceed with offering this service as soon as possible.

Sincerely,

Robert L. Capell III

Robert L. Capell, III

Attachments

EXHIBIT 5

**LETTER OF RONALD M. CONNERS, DISTRICT MANAGER,
NANP ADMINISTRATION, BELLCORE, TO E.W. STEVENS,
OPERATIONS MANAGER - PROCESSOR PLANNING,
BELLSOUTH TELECOMMUNICATIONS, JANUARY 6, 1992,
REGARDING COX N11 REQUEST**

January 6, 1992

E. W. Stevens
Operations Manager - Processor Planning
BellSouth Telecommunications
Southern Bell Center, Room 23S65
675 West Peachtree
Atlanta, GA 30375

Dear Ms. Stevens:

Thank you for providing North American Numbering Plan administration ("NANPA") the opportunity to advise on the feasibility of using N11, 1XX or *XX codes to satisfy the request that you received for three digit access to a so-called "411 look-alike" service. NANPA reviewed the general topic of three-digit dialing during development of the long term numbering plan that was released last week to the industry for comment and refinement, and we would like to share some of these thoughts with you.¹

First, assignment of the code "111" as requested by your customer would be inappropriate for technical reasons. As is indicated in *BOC Notes on the LEC Networks - 1990*, codes in the form 0/1XX are used for intercarrier routing purposes. These codes are not customer-dialable. Making them so would require changes in all affected end office switches, and could impair their use for intercarrier routing. The problem is compounded because the prefix "1" already has several interpretations in the dialing plans in use throughout the area served by the North American Numbering Plan. This prefix indicates to a step-by-step switch that the call being dialed is not a local call and must be routed to a tandem for processing. It also indicates, in the thirty Numbering Plan Areas (NPAs) that have installed interchangeable central office codes, that ten additional digits will follow.

Second, while local assignment of other N11 codes is possible, NANPA concludes that such an approach would be undesirable. As indicated in *BOC Notes on the LEC Networks - 1990*, one or more of the unassigned N11 codes (currently, 211, 311, 511 and 711) can be assigned for local use if this use can be discontinued on short notice. There is a real

¹ We note that your customer's underlying thesis seems to be that if BellSouth is providing directory assistance service using three-digit access, some form of equivalent three-digit access should be made available to the customer for its own directory assistance service. BellSouth will, of course, reach its own conclusions on the validity of this claim. NANPA in its own number administration activities will proceed on the assumption that since the MFJ Court and the FCC have, notwithstanding the policy changes of the Modification of Final Judgment and the Computer Inquiries, both permitted traditional directory assistance services to continue to be provided in the historic manner - which includes long-standing 411 access - 411 access to the telephone company's directory assistance service remains permissible.

potential for such discontinuance because of the impending exhaustion of NPAs in the current N0/1X format, prior to the time that interchangeable NPAs (in the NXX format) can be implemented. Use of N00 and N11 codes (which, because they have a 0/1 second digit, may be usable as geographic NPAs) is under consideration by the industry. Your customer would be ill-advised to commit resources, modify facilities, and promote the use of a number for local use that may have to be reclaimed in the near future for national use.² Additionally, NANPA's long-term numbering proposal recommends that unassigned and recoverable N11 codes be reserved for future assignment as Service Access Codes (SACs) for ten-digit dialing (with the potential for reaching millions of addresses behind the SAC, rather than one).

Third, as you probably know, the industry has formed a working group under the Industry Carriers Compatibility Forum (ICCF) to examine the use of vertical services codes (such as *XX). Because few of these codes remain available for assignment, that group is considering conservation and standardization of vertical services codes, and whether their format should be expanded. While a small number of such codes could conceivably be assigned for new uses such as your customer proposes, the potential demand is very high and satisfaction of all requests would rapidly deplete the available codes, especially if such new assignments are not reconciled with conservation and standardization measures that will be applied nationwide. Accordingly, NANPA recommends that you encourage the customer to bring its proposal to the ICCF working group for its consideration.

We are not aware of any other valid three-digit dialing sequences that can be implemented uniformly in current network facilities. It is conceivable that a new one might be introduced, but this would require changes to the entire North American network since end-office switches are currently able to recognize only the special cases mentioned above. It is not clear that older common control switches could be modified at all to accept new three-digit dialing sequences, and replacement could be required. Introducing modifications into the newer electronic switches is generally feasible – if a given switch continues to be supported by software updates – but the process for doing so is lengthy: (1) clear and unambiguous requirements for changes must be developed; (2) vendors must examine the requirements, determine the impact on switch generics and other software and schedule implementation of changes in their software development cycles; (3) scheduling of new changes must be melded with a long backlog of already-scheduled required changes, including important ones such as implementation of interchangeable NPAs and CIC expansion; and (4) the software modifications, when tested and available, must be installed in thousands of switches throughout North America. Overall, this is a multi-year process.

² Also, if BellSouth were to make the requested N11 assignment, based on NANPA's experience with other requests of this nature we conclude that others would in all likelihood immediately seek assignment of the remaining N11 codes. This would make it even more difficult to alleviate NPA exhaust with N11 codes, and potentially raise claims of discrimination among the few who receive the available N11 codes and others who would seek them. It might be noted that in the analogous context of carrier identification codes (CICs), it was decided to pursue the policy of providing the same access to all service providers; and, when it became evident that there would be more than the 100 service providers to be accommodated, CICs were expanded from two to three digits in length. As you know, the 1000 possible three-digit CICs have subsequently proven insufficient.

Our recommendation is that you assign your customer basic seven-digit telephone numbers at this time, and that you encourage the customer to pursue two approaches to seeking industry consensus on alternatives that might be developed and made available in the future. First, as noted there is an ICCF working group considering vertical services codes. The customer can bring to that group its proposal that vertical services codes be assigned to uses such as its proposed directory service. And second, NANPA's long-term numbering proposal is just that: a proposal. It will be the subject of broad discussion by the industry and modification. Your customer should join this discussion.

Sincerely,

A handwritten signature in cursive script, reading "Russell R. Conner".

Director
North American Numbering Plan Administration

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of June, 1992, copies of the foregoing "Comments of Cox Enterprises, Inc." were served by first class, United States mail, postage prepaid, upon the following parties, except where indicated:

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*Via hand delivery.